

**MINUTES OF DECEMBER 19, 2013 RETIREMENT BOARD  
CITY OF ALEXANDRIA  
SUPPLEMENTAL RETIREMENT PENSION PLAN  
INTERIM MEETING**

**PRESENT**

<u>Members</u>	<u>Others</u>
Shane Cochran, <sup>1</sup> Secretary (General Schedule)	Steven Bland, Retirement Administrator
Tom Gates, Chairman (Management)	Bryan Capelli, Retirement Specialist
Robert Gilmore <sup>1</sup> (Deputy Sheriff)	Kadira Coley, Retirement Specialist
Jean Kelleher <sup>1</sup> (Management, Alternate)	Young-Ju Kim, Medic
Nancy McFadden (Medic)	Arthur Lynch, Retirement Specialist
Nelsie Smith (Management)	Theresa, Nugent, Communications Specialist
Laura Triggs <sup>2</sup> (Management)	
Valarie Wright (Deputy Sheriff, Alternate)	

Absent:

Brenda D'Sylva (General Schedule, Alternate)

Bill Eger <sup>2</sup> (General Schedule, Alternate)

Marietta Robinson (General Schedule)

Morgan Routt (Management)

Terms: 1/1/2014 – 12/31/2015

<sup>1</sup>Technical Corrections Committee

<sup>2</sup>Vendor & Service Provider

**CALL TO ORDER**

The meeting was called to order at 11:34 AM on December 19, 2013.

Ms. McFadden introduced Young-Ju Kim.

**MEETING RECORD**

There was a motion by Ms. Triggs to:

Approve the November 12, 2013 minutes.
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Ms. Kelleher seconded the motion.

The motion was unanimously approved (7 – 0).

## **ADMINISTRATOR'S REPORTS**

### **Regular Investment Reports**

Staff explained how rebalancing was different for separate accounts and most comingled funds with monthly liquidity. The December Board meeting was held on the 19<sup>th</sup>, which is after most comingled funds cutoff for December 31 rebalancing. Staff referenced handout 2 (a) (i), the current recommended rebalancing is restricted to those funds with separate accounts. A follow-up on the rebalancing recommendation will be made in January.

Ms. Triggs made a motion to:

Sell \$.2 million of Polen large cap growth and \$.9 million of Herndon – large cap value and buy \$1.1 million of PIMCO total Return Fund – domestic fixed income.

Ms. Smith seconded the motion. The motion passed (7 – 0).

Staff recommended a standing order permitting staff to rebalance up to 1% of the fund per month with the signature of the CFO (Ms. Triggs) required.

Ms. Kelleher made a motion to:

Table the standing rebalancing motion until January's meeting.

Ms. Smith seconded the motion.

**DISCUSSION:** Board members expressed concern that the motion as written was too broad. It was requested that a new motion be drafted to include that the purpose of rebalancing would be to correct an imbalance.

The motion passed (7 – 0).

In handout 2 (a) (iii) (2), staff explained the Private Equity Cash Flow Report used the term “Recallable Distributions.” Under very limited circumstances money called and then distributed may be called a second time.

### **Other Items**

Handout 2 (b) was to address the claim that farmland prices never decline. Actually, they do, but the last significant decline was in the 1980s.

Handout 2 (b) (ii) (1) on risk metrics was requested by Bill Eger at the November meeting.

### **Education: conferences, seminars and training**

Mr. Cochran made a motion to:

Authorize the use of pension funds to reimburse expenses for Bryan Capelli to travel to and attend the IFEBP investment conference in March. Expenses are to be shared on a pro-rata basis with other City retirement plans based on plan assets.

Ms. Kelleher seconded the motion. The motion passed (7 – 0).

Ms. Triggs made a motion to:

Authorize the use of pension funds to reimburse expenses for staff to take the courses, classes, or pursue the professional designations listed in handout 2 (c), on page 18 of the handouts. Expenses are to be shared on a pro-rata basis with other City retirement plans based on plan assets.

Ms. Smith seconded the motion. The motion passed (7 – 0).

Mr. Cochran made a motion to:

Approve that the trust funds pay or reimburse expenses for AMRSVA meetings for staff and trustees are authorized for course registration, travel expense, and lodging. Staff expenses are authorized as the fund's share prorated based on assets. Trustee expenses are authorized in full.

Ms. Kelleher seconded the motion. The motion passed (7 – 0).

## **OLD BUSINESS**

### 2014 Calendar

Ms. Smith made a motion to

Hold the annual Board Retreat on June 12<sup>th</sup>

Mr. Cochran seconded the motion. The motion passed (7 – 0).

### Global Tactical Asset Allocation

At the November meeting the investment consultant suggested a tactical asset allocation search. The consensus of the Board was to request an RFP. Dahab is posting the RFP December 19<sup>th</sup>. The search could capture performance data through September 30 and definitely be ready by the February 13 meeting. If it captures data through December 31, 2013, then it might be completed by the February meeting. In the absence of a motion, staff's instruction to the consultant was to use their discretion.

### ICMA-RC Transition Update

Staff reported on the investment platform transition at ICMARC for the deferred compensation plan. The transition was very smooth. Now that the transition is over the focus of the next phase will be on employee communication and education.

Staff discussed making authorization of reimbursement for educational expense standardized.

#### Board Appointments

There was a motion by Ms. McFadden to:

Recommend to City Council that Mr. Young-Ju Kim is named the Medic alternate representative to the Supplemental Retirement Board.

Ms. Triggs seconded the motion.

DISCUSSION: Staff is asked to prepare a docket memo as quickly as possible. Chances are the docket process may not be completed prior to the scheduled January meeting. Mr. Kim is welcome to attend the meeting regardless of the timing.

The motion was unanimously approved (7 – 0).

#### Plan Document Technical Corrections

There was a motion by Ms. Smith:

Recommend to City Council the proposed plan amendment and restatement on pages 27 & 28 of the board packet and supported by the documents on pages 23 through 26.

DISCUSSION: Staff is asked if would be satisfactory to communicate the proposed change to employee association leaders. Direction was provided to provide notice to all impacted City employees. Staff should work with the City's Communications Department to determine how best to notify employees. It was specifically noted that no in-person meeting should be held.

Ms. Triggs seconded the motion. The motion was unanimously approved (7 – 0).

### **NEW BUSINESS**

#### Projects for 2014

The Chair and staff introduced the topic of projects for 2014. The handout was 4 (a) on page 29. Mr. Cochran added that he would like to see liquidity/illiquidity discussed. Staff will already discuss this in a regular report and it will be a part of any potential new commitment to an illiquid asset.

#### Committee Composition & Assignments

Chairman Gates sought to fill committee membership.

#### TRAINING OPPORTUNITIES COMMITTEE

There was a motion by Ms. Triggs to:

Disband the Training Opportunities Committee.

Mr. Cochran seconded the motion.

DISCUSSION: This function is already served by staff and trustees bringing information to meetings about conferences, seminars, classes, books, webinars, articles, etc.

The motion was unanimously approved (7 – 0).

#### TECHNICAL CORRECTIONS AND PLAN DOCUMENT REVIEW COMMITTEE

There was a motion by Ms. Smith to:

Appoint Mr. Cochran, Mr. Gilmore, and Ms. Kelleher to the Technical Corrections and Plan Document Review Committee for calendar years 2014 and 2015.

Ms. McFadden seconded the motion. The motion was unanimously approved (7 – 0).

#### VENDOR & SERVICE PROVIDER REVIEW COMMITTEE

There was a motion by Ms. Kelleher to:

Appoint Mr. Eger and Ms. Triggs to the Vendor and Service Provider Review Committee for calendar years 2014 and 2015.

Ms. Smith seconded the motion. The motion was unanimously approved (7 – 0).

#### POLICES & PROCEDURES

There was a motion by Ms. Kelleher to:

Adopt the change to the Policies and Procedures as described on page 21 of the board packet.

Ms. Smith seconded the motion.

DISCUSSION: The motion would eliminate the Training Opportunities Committee, reformat that part of the Policies and Procedures that addresses the purpose of the committees and edit the purpose of the two remaining standing committees.

The motion was unanimously approved (7 – 0).

#### **NEXT MEETINGS**

1. Wed. January 8<sup>th</sup> 8:30AM, Sister Cities 1101, Interim Meeting
2. Thurs. February 13<sup>th</sup> 8:30AM Council Workroom, Joint Due Diligence Meeting, **NOTE LOCATION**

3. Wed. March 5<sup>th</sup> 8:30AM, City Hall Room 2000, Interim Meeting, **NOTE LOCATION**

## **ADJOURNMENT**

The meeting adjourned at 12:35 PM.

## **HANDOUTS**

Distributed to Board members in the Board Packet:

<b><u>Description</u></b>
Agenda
Minutes of Prior Meeting [1(a)]
Monthly Investment & Rebalancing Report [2(a)(i)]
Private Equity Report Cash Flows - Landmark [2(a)(iii)(1)]
Private Equity Report Cash Flows – Ham. Lane III [2(a)(iii)(2)]
Iowa Farmland [2(b)]
Administrator’s Follow-Up Items Report [2(b)(ii)]
Quick Guide to Risk Metrics [2(b)(ii)(1)]
Recommended Motions & Action Items [2(c)]
Board Meeting Calendar [3(a)]
Proposed Plan Document Technical Corrections [3(e)]
Projects for 2014 [4(a)]
Committee Review [4(b)]
Rules of Procedure (dated 06/13/2013) [4(c)]